Saskatchewan
Housing
Corporation

ANNUAL REPORT 1984

Contents

Letter of Transmittal 2

Minister's Statement 3

President's Statement 4

Organizational Chart 5

1984 Program Activity 6

Senior Citizen Housing 8

Palliser Place 10

Indian and Native Housing 12

Loans and Grants 14
- Senior Citizen Home Repair
- Home Modification for the Disabled
- Residential Rehabilitation
- Rural Rehabilitation Assistance

Construction Activity 16
- Public Housing
- Special Care Homes
- Non-Profit Rental
- 20% Grant Program for Non-Profit Organizations
- Rural Housing

Real Estate and Property 18
- Property Management
- Land Assembly

Auditor's Report 22

Financial Statements 23

Board of Directors 38

Office Locations 39

Letter of Transmittal

Regina, Saskatchewan
May 17, 1985

To His Honour,
The Honourable Fredrick W. Johnson
Lieutenant Governor of the Province of Saskatchewan

Sir:

I have the honour to submit herewith the Annual Report of the Saskatchewan Housing Corporation for the period January 1st to December 31st, 1984, including financial statements for the year duly certified by the Provincial Auditor and in a form approved by the Treasury Board, all in accordance with The Saskatchewan Housing Corporation Act.

I have the honour to be, Sir

Your obedient servant.

Sid Dutchak
Minister Responsible for
Saskatchewan Housing Corporation

Minister's Statement

In 1984, the Saskatchewan Housing Corporation further strengthened its commitment to the senior citizens of our province.

Implementation of the 26 recommendations by the Task Force on Senior Citizen Housing began in earnest. This Task Force, which I commissioned in 1983, has helped establish a foundation for all future housing initiatives to serve our pioneers. The wide diversification of ideas and suggestions coming from the people of this province has had an important impact in the development of new programs and the fine tuning of existing ones.

In only five months, the Senior Citizen Home Repair Program committed almost 12,000 grants totalling $10.9 million to senior citizen homeowners.

Enriched housing projects in 13 communities were undertaken in 1984. This program is designed to aid the elderly in amalgamating their independence with community support services based on the particular needs of the residents.

Saskatchewan Housing Corporation was also pleased to assist in the financing and delivery of 325 special care beds throughout the province.

This past year has seen progress with a number of special projects, including the conversion of Palliser Place in Regina into senior citizen housing and the conversion of existing apartment complexes into senior citizen housing for the communities of Frontier and Coronach. This was done in an effort to overcome chronic vacancy problems.

As well, the Corporation has begun to adopt a more comprehensive approach in dealing with social and economic problems. This has resulted in an integrated housing project and community centre facility being developed for the Regina Native Women's Association.

As we look forward to 1985, some very positive and optimistic impressions can be gained. A more constructive environment exists with the federal government, which is our major partner, in the evolution of new ideas and approaches.

Further refinement and rationalization of some of the Housing Corporation's programs is required, particularly in light of the significant losses on land assembly operations in 1984.

I am pleased to report a number of internal initiatives being taken in the operation of the Corporation. In particular, the commitment of the Corporation's management and staff to specific performance goals and standards of service to our people. This is the kind of accountability Saskatchewan citizens have a right to expect.

I believe the Saskatchewan Housing Corporation is successfully serving the housing needs of our province, and I want to commend the local Housing Authority volunteer directors, their staff, the Saskatchewan Housing Corporation Board of Directors and the Corporation management and staff for an excellent effort in 1984.

Sid Dutchak
Minister Responsible for
Saskatchewan Housing Corporation

President's Statement

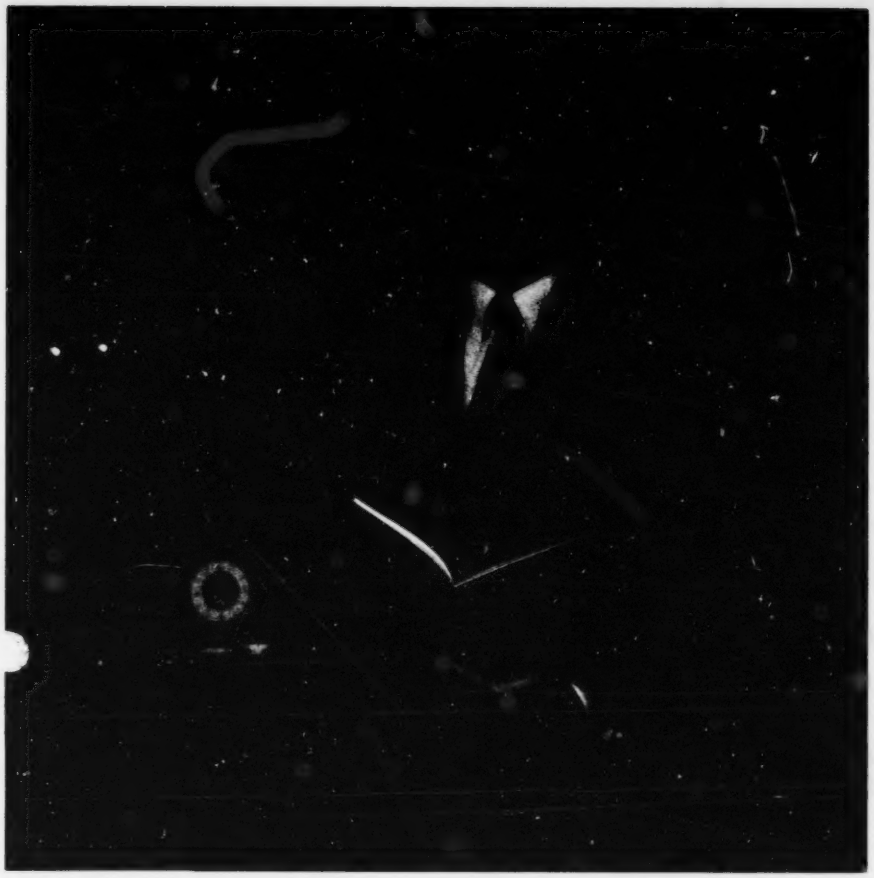
As President of the Saskatchewan Housing Corporation, I look back with pride over the past twelve months. It has been a year of both challenge and success. Last year there was a major organizational restructuring within the Corporation and a move towards a more businesslike operation with divisional alignment on a cost centre basis. During this past year the product of these changes has evidenced itself time and again in our program delivery to the people of Saskatchewan.

Further evidence of these businesslike changes is reflected in the $1 million decrease in the net corporate administrative costs of operating the Corporation to the Province from $7.2 million in 1983 to $6.2 million in 1984.

In 1984, the theme "Working for You, Saskatchewan" was adopted by SHC. This theme typifies and emphasizes the major thrust, aspirations and guiding values of the Corporation over the past year and for the year ahead of us. It indicates the emphasis which the Corporation places on efficient and productive operations and excellence in serving the public.

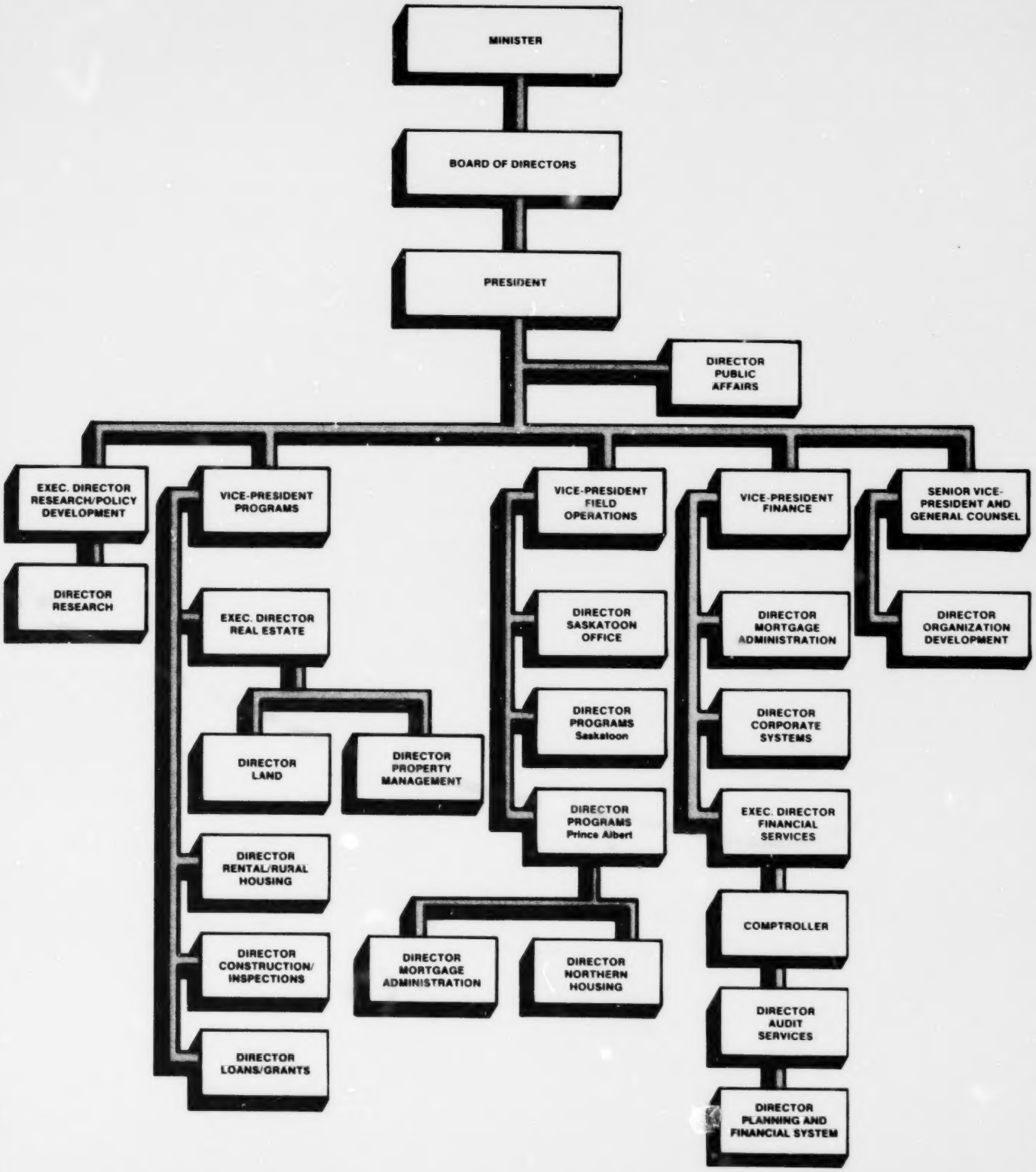
I commend the staff of SHC for their commitment and effort in 1984. They are the people who make this Corporation a leader among provincial housing corporations.

I would also like to express a sincere thank you to the members of our provincial Housing Authorities. These volunteers are responsible for the day-to-day administration of more than 17,000 housing units in our province. The importance of their role is certainly recognized by the Corporation. In 1984, the first comprehensive policy and procedural manual was produced for the Housing Authorities and the first of what will be annual training workshops was held. Aiding these Authorities to perform their duties in the most effective manner possible is just one more area the Corporation addresses in filling its role as the province's housing agent.



Calder Hart
President

Saskatchewan Housing Corporation Organization Chart



1984 Program Activity

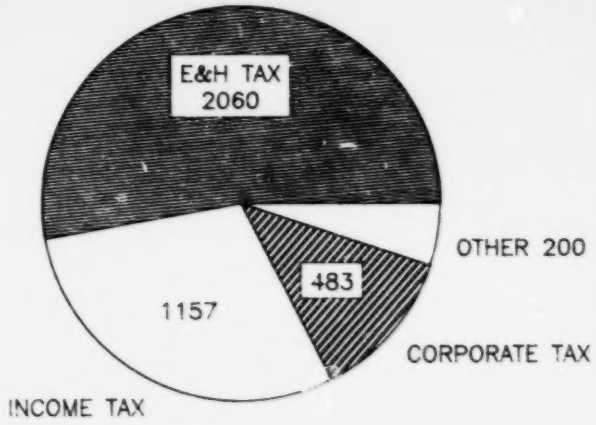
In 1984, the Corporation continued to assist lower income households with their shelter requirements. This assistance took the form of increased home repair grants to elderly home owners and increased rental housing starts for senior citizens and low income families.

The revised Senior Citizen Home Repair Program, providing grants of up to $1,000, met with an enthusiastic response from elderly home owners. From the start of the program on August 1 to December 31, the Corporation approved applications from 11,752 senior citizens for needed repairs to their dwellings. Through this program, the province committed $10.9 million for senior citizens in 1984.

In addition, the Corporation supported 1,202 new housing starts or 23% of the total 5,221 starts in the province in 1984. These new starts supported over 1,000 man-years of employment in the residential construction industry. The majority (67%) of this activity was directed to smaller centres in rural areas.

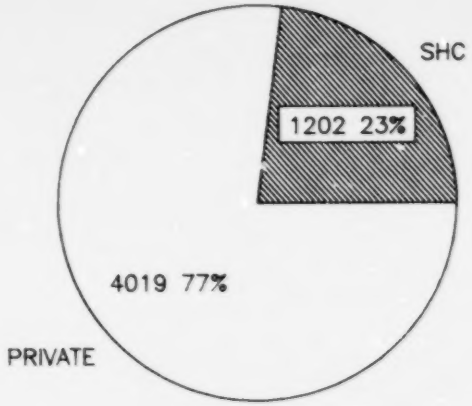
This level of activity, in both the renovation and new housing sectors, demonstrates the Corporation's effort to produce substantive economic and social benefits to the citizens of Saskatchewan while serving the province's housing needs in the most effective manner.

DIRECT PROVINCIAL REVENUES PER UNIT STARTED



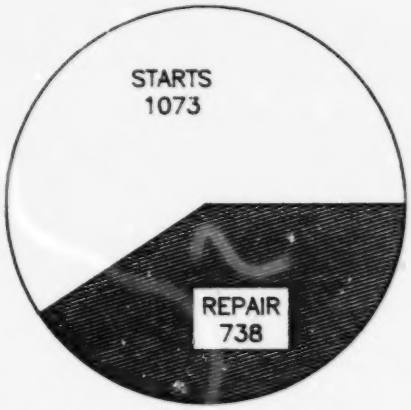
TOTAL REVENUES $3900 PER UNIT STARTED

SHC ASSISTED STARTS 1984



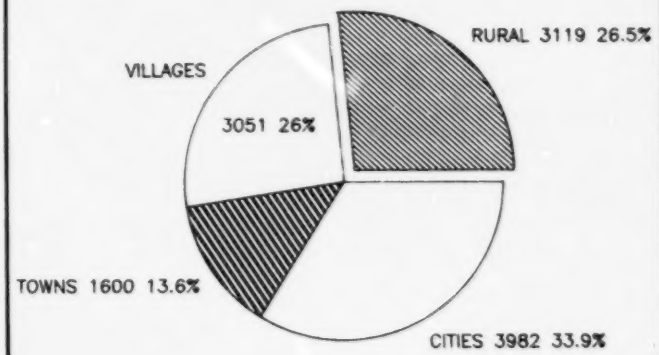
TOTAL STARTS 1984 = 5221

TOTAL SASKATCHEWAN EMPLOYMENT SUPPORTED BY SHC (1984)



MAN–YEARS OF EMPLOYMENT

GEOGRAPHICAL DISTRIBUTION OF SENIOR CITIZEN HOME REPAIR GRANTS 1984



SENIOR CITIZEN HOME REPAIR GRANTS

As a result of the Task Force on Senior Citizen Housing, in 1984, the Corporation undertook a number of major program changes and developments regarding its housing delivery to senior citizens.

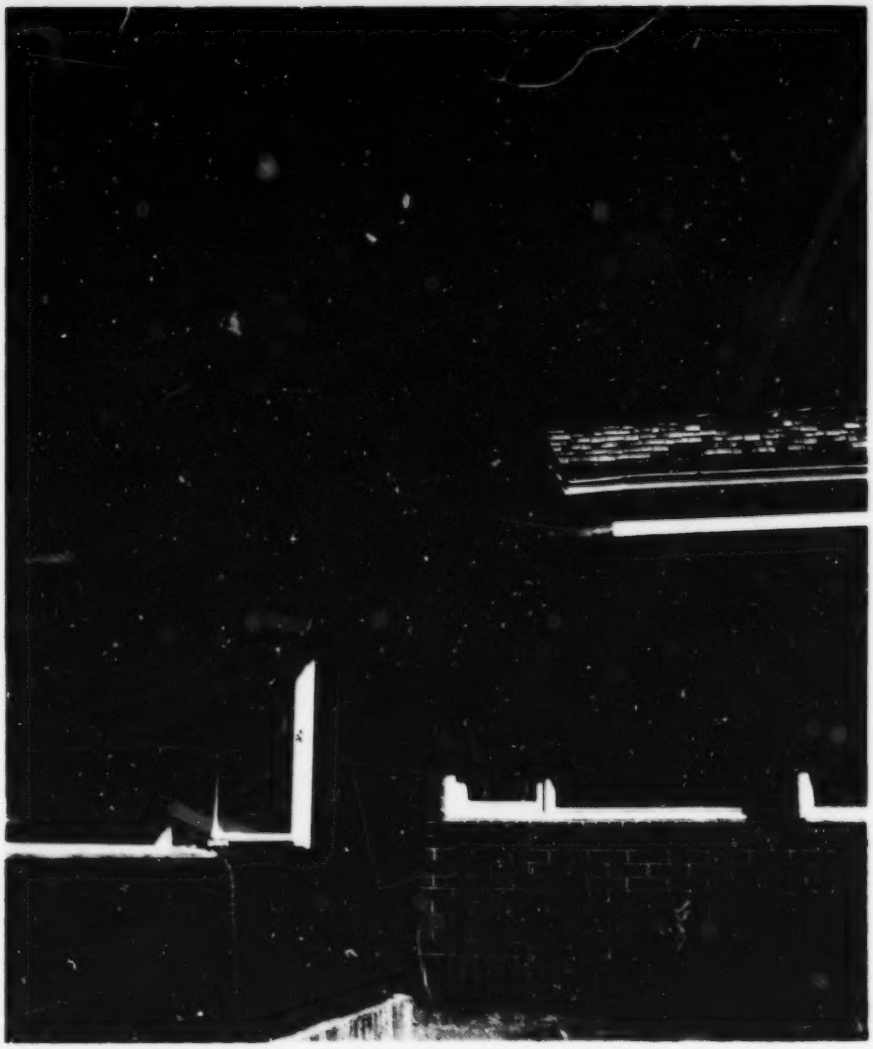
The Senior Citizen Home Repair Program grant was increased from $650 to $1,000, the income level was increased to $16,500 and the administration procedure was significantly reduced. These changes resulted in an unprecedented number of applications being processed in record time. Total funds committed in 1984 equalled $10.9 million. Twenty-six percent of all grants approved went to seniors living in centres of less than 500 people. In total by December 31, 1984, 11,752 senior citizens had been assisted in making improvements to their homes.

Another result of the Task Force was the development of Enriched Housing for seniors. Enriched Housing projects provide senior residents with self-contained apartment style accommodation with common lounge and hallway designed to facilitate Home Care Services such as meals-on-wheels and visiting nursing staff. The projects are also designed to accommodate a personal alarm system.

The Enriched Housing concept is designed for seniors who have only minor difficulties in performing tasks associated with daily living; difficulties which do not demand the services of a nursing home, yet preclude totally independent living.

The services available in each Enriched Housing project vary from community to community as they are based on local need and community initiative to participate in delivery. These projects provide the basic structure to allow local communities to assist their senior citizens to remain independent.

Other key recommendations of the Task Force presently being acted on included appointment of a senior citizen to the Corporation Board of Directors, improved design and amenity standards and experimental projects covering the full continuum of seniors' housing to nursing care.



Enriched Housing Projects Committed in 1984

Centre	Units
Craik	16
Springside	12
Balgonie	10
Churchbridge	12
Fort Qu'Appelle	12
Norquay	10
Theodore	10
Milden	10
Zenon Park	10
Shellbrook	12
Redvers	16
Oxbow	10
Grayson	10
	150

As in previous years the Corporation continued to provide technical and financial expertise to non-profit groups authorized by the Department of Health to construct a nursing home in their community. In 1984, the Corporation was involved in committing 325 special care homes units throughout the province. These units included 240 new units and 85 units which were either additions to existing facilities or renovations.

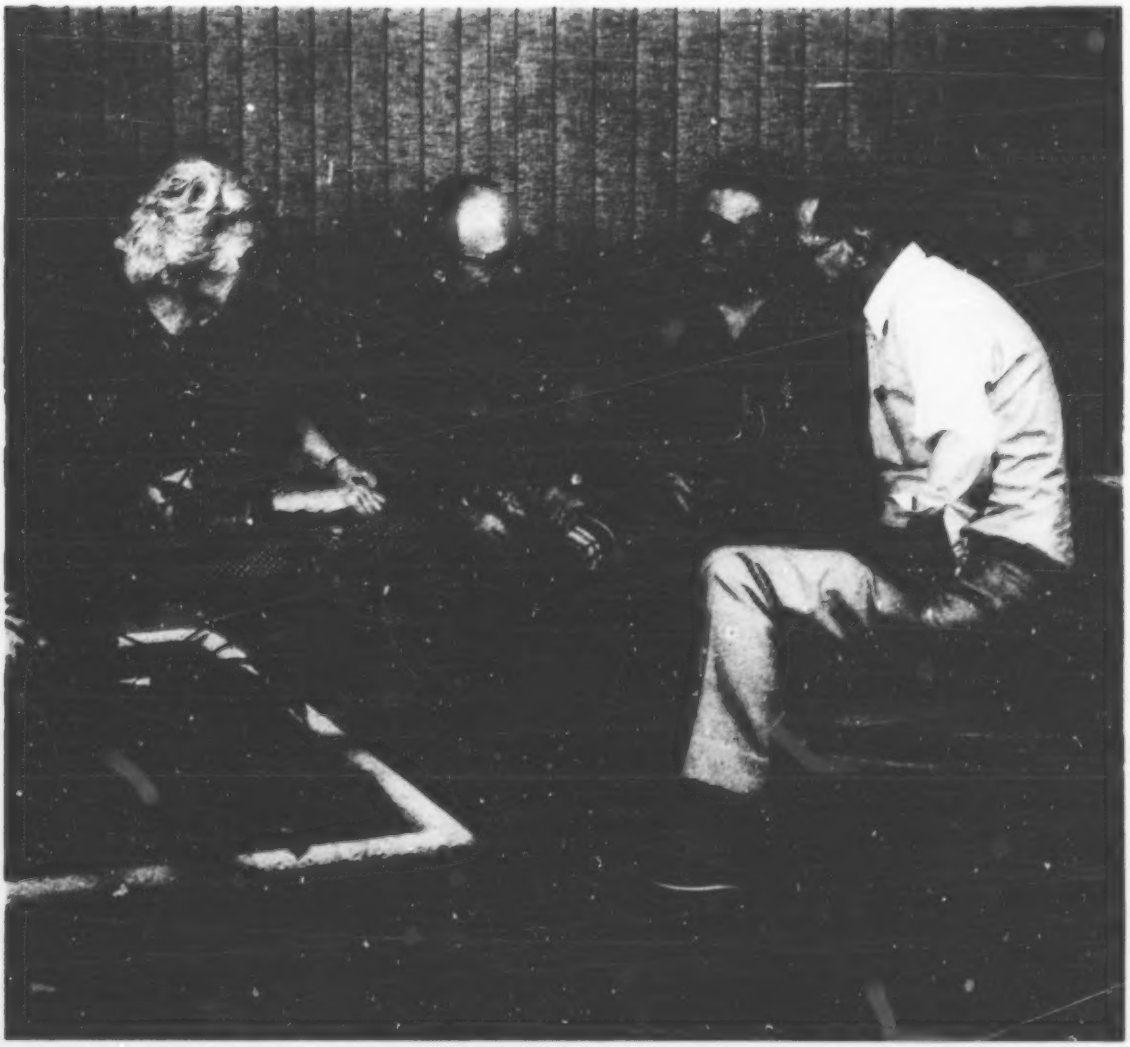
Palliser Place

In August of 1984 a commitment was made that the 154 unit highrise apartment complex at 1740 Hamilton Street in Regina would be converted to senior citizens' housing. At that time only 13 suites were occupied and the building lacked important amenities. The conversion decision was made following a comprehensive study of all possible building uses. Meetings were held with various interest groups including representatives from senior citizen organizations, agencies and industry experts. Numerous options were examined including sale of the building. It was determined that the most viable option was conversion to senior citizens' housing. A number of building improvements as well as changes to accommodate senior citizens have taken place over the year. These included installation of air conditioning, grab bars and an alarm system in each suite and a security camera in the front lobby.

The cost of the project renovations will be $500,000. Work completion is scheduled for March of 1985.

Standard rents will range from $385 to $510. However, lower income seniors will qualify for an additional subsidy of up to $90 to decrease their rent to no more than 30 percent of income.

A funding agreement has been reached with the Department of Health to assist in establishing formal tenant liaison services for the residents. Under this program important liaison and life-style programs will be established for the residents ensuring maximum involvement with senior citizen service agencies and organizations. It will also provide residents with assistance as required.



Indian and Native Housing

During 1984, the Saskatchewan Housing Corporation began an on-going dialogue with Indian and Native people across the province. In northern areas meetings between senior management from the corporation and community leaders were held in a number of towns. The purpose of these meetings was to examine housing issues and problems which are unique to northerners.

As a result of these one-on-one community dialogues major steps have been taken to address such chronic problems as vandalism and monthly mortgage payment arrears. The Corporation presently has staff members, including northern residents, whose mandate includes providing counsel to homeowners who are legitimately unable to meet their payments. These individuals are referred to the Corporation for compassionate deferment or reduced payments.

In the north the Corporation acts as a vehicle through which job opportunities for northern residents and companies can be generated. The Corporation provides an allowance of 400 northern labour hours per unit. Normal bonding requirements are relaxed allowing small northern companies an opportunity to win contracts. Housing tenders are structured to allow northern contractors or non-profit groups to compete. Alternate forms of housing which would be more suited to northern conditions than existing units are presently being examined.

Plans are presently underway to conduct a number of northern resident training courses in such areas as furnace maintenance. Seminars are also being organized for northern contractors to aid them in increasing their construction efficiency and improvement of their management skills.

In Regina, the Corporation has transferred the administration of 129 units of existing public housing to two native non-profit groups: Silver Sage and the Regina Native Women's Association. Based on the success of these transfers the Corporation is considering turning additional public housing units over to other native non-profit groups.

The Corporation is also working together with the Regina Native Women's Association on a new and innovative approach to housing for urban natives. A 24-unit housing project is to be built in conjunction with the renovation of a nearby existing building to a community centre.

The Loans and Grants Division of the Corporation delivers a number of programs targetted towards the improvement of the existing provincial housing stock. Program funding supports a range of activity including: improvements to existing energy standards, the implementation of major structural changes and repairs.

Senior Citizen Home Repair

In response to the recommendations of the Task Force on Senior Citizen Housing, the Government of Saskatchewan undertook the following changes to the Senior Citizen Home Repair Program:

a) the level of grant was raised from $650 to $1,000

b) the range of repairs eligible under the program was broadened

c) the maximum eligible household income was raised to $16,500

d) grants are now available twelve months of the year rather than exclusively in winter months

e) simplified bureaucracy to hasten approval of applications and approval of cheques

All of these program changes were designed to aid seniors in their desire to remain independent in their own homes. Program benefits ensure seniors a safer, more comfortable and livable home.

In 1984, under this new program, SHC made commitments to 11,752 senior citizen households totalling $10,903,826.

Home Modification for the Disabled Program

During 1984, the Corporation approved 122 grants totalling $171,768 to assist disabled individuals with necessary design changes to their homes.

All individuals or parents/guardians of individuals with a long term disability may qualify for a grant of up to $2,000. Applicants' incomes must not exceed $23,000 and specific changes to their dwelling must aid in their daily living requirements.

This grant may also be combined with other home repair programs delivered by either the provincial or federal governments.

Residential Rehabilitation

In 1984, the Corporation committed 351 residential rehabilitation loans with a total value of $641,557. More than $360,000 of this commitment is totally forgivable to the applicants.

The Residential Rehabilitation Program assists low income home owners (annual income under $16,500) to maintain and upgrade their homes. Each low interest loan of up to $8,000 includes a forgivable amount of up to $2,500 which need not be repaid by the borrower provided the home owner continues to reside in the home for up to five years.

Rural Rehabilitation Assistance Program

Since 1975, the Corporation has acted as the delivery agent for the Rural Rehabilitation Assistance Program funded by the federal government. During 1984, the Corporation approved 1,052 loans worth a total of $4,723,594.

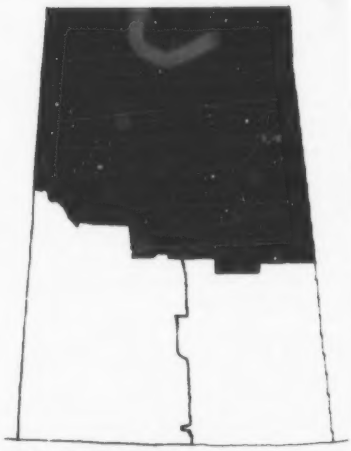
To be eligible for this loan, an applicant must:

a) live in a centre with a population of less than 2,500 people

b) have an income of less than $23,000

c) require major structural work on their residence

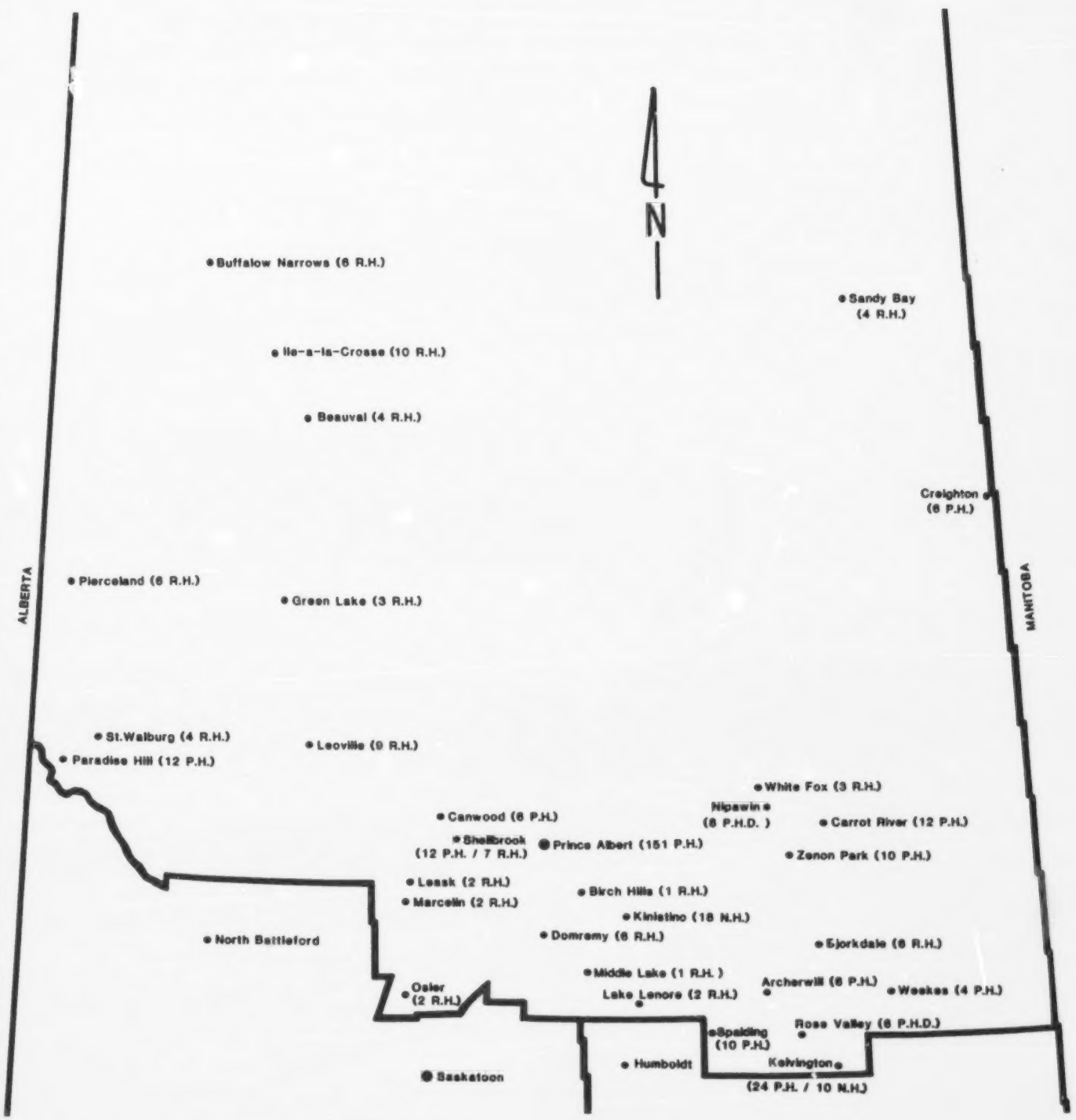
Those households who qualify may receive a loan of up to $25,000, some $5,000 of which may be forgiven. As in the provincial Rehabilitation Program forgiveness amounts need not be repaid by the borrower provided the home owner continues to reside in the home for up to five years.



SASKATCHEWAN NORTH

P.H. — Public Housing
R.H. — Rural Housing
P.H.D. — Non-Profit

New Units Started in 1984



In 1984, the Saskatchewan Housing Corporation assisted 1,202 new housing starts through its involvement in various social housing programs. These programs were designed to provide good quality, affordable accommodation to low income senior citizens, families and special needs groups.

Public Housing

During 1984, the Corporation authorized the start of 816 public housing units in 41 communities; 730 of these units were for senior citizens.

This program, funded jointly by the federal, provincial and the municipal governments, provides affordable rental accommodation to those households who:

a) are unable to afford private market rental rates;

b) require specially designed units to assist the elderly and disabled in maintaining their independent living status

Project rents are based on income with tenants paying not more than 25% of their gross income.

Special Care Homes

The Saskatchewan Housing Corporation continues to provide technical and financial expertise to non-profit groups authorized by the Department of Health to construct a special care home in their community.

In 1984, the Corporation was involved in committing 325 special care home units throughout the province, 240 of these were new units and 85 units were additions or renovations to existing facilities.

Non-Profit Rental

This program is designed to supplement the supply of rental accommodation provided by the private sector especially in smaller Saskatchewan centres. Clients for this program range from moderate income families to senior citizens.

In 1984, 126 non-profit rental units were started in 15 communities. During the year an additional 734 units were completed bringing the total inventory to 2,568 rental units throughout the province.

Under this program, SHC provides 100% of the capital financing for construction with the federal government providing an "interest write-down" subsidy equivalent to the provision of a 2% interest rate mortgage.

20% Grant Program for Non-Profit Organizations

This program is similar to the Non-Profit Rental Program in that the federal government provides the same "interest write-down" subsidy, however, in addition: the province supplies a 20% capital grant to a non-profit sponsor willing to undertake the long term administration of a project and provide the equivalent of 8% of the cost of the project.

This program serves the needs of a wide variety of households requiring low rent accommodation. Acceptance into the program by non-profit groups is dependent upon the group's ability to undertake the long term management of a housing project.

In 1984, a total of 48 units were assisted under this program. These units were given to two non-profit groups: the Melfort Legion and the Regina Native Women's Association.

Rural Housing

This program assists families with incomes under $22,000 in rural and remote regions to achieve home ownership. Under this program mortgage payments are established at affordable levels not exceeding 25% of a family's income.

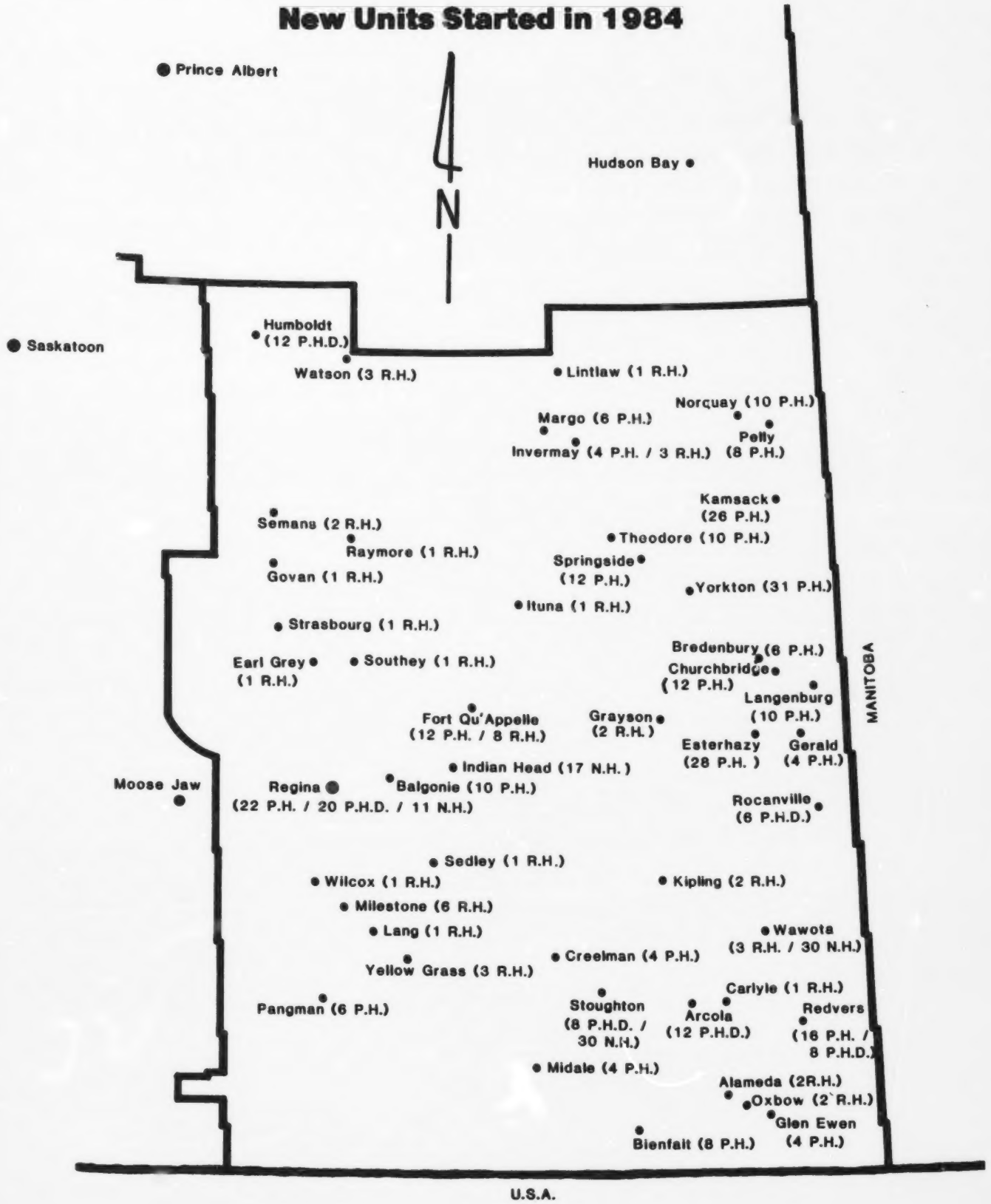
Program costs are shared 75% by the federal and 25% by the provincial governments.

In 1984, a total of 212 homes were tendered in 66 communities. This increases the total number of Rural Housing units in Saskatchewan to 3,013.

SASKATCHEWAN
SOUTHEAST

P.H. — Public Housing
R.H. — Rural Housing
P.H.D. — Non-Profit

New Units Started in 1984



Property Management

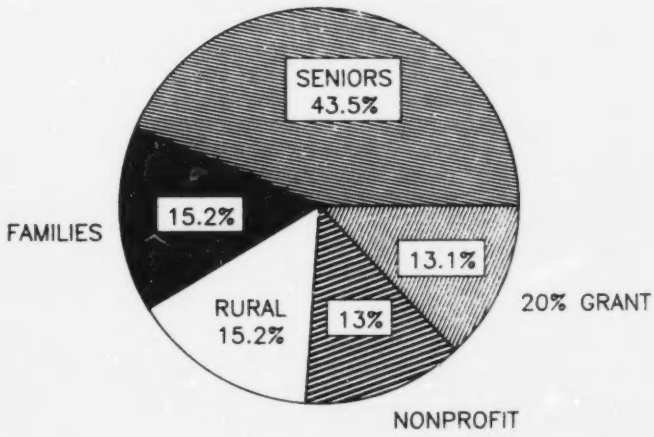
Following completion, each housing project is turned over to a community Housing Authority or a local non-profit group for day-to-day operation. The Corporation remains responsible for the financial and overall management of the projects.

As of December 1984, the Corporation was responsible for the administration of over 17,000 housing units throughout the province. These units are managed by community Housing Authorities, non-profit groups or by the Corporation.

SASKATCHEWAN
SOUTHWEST

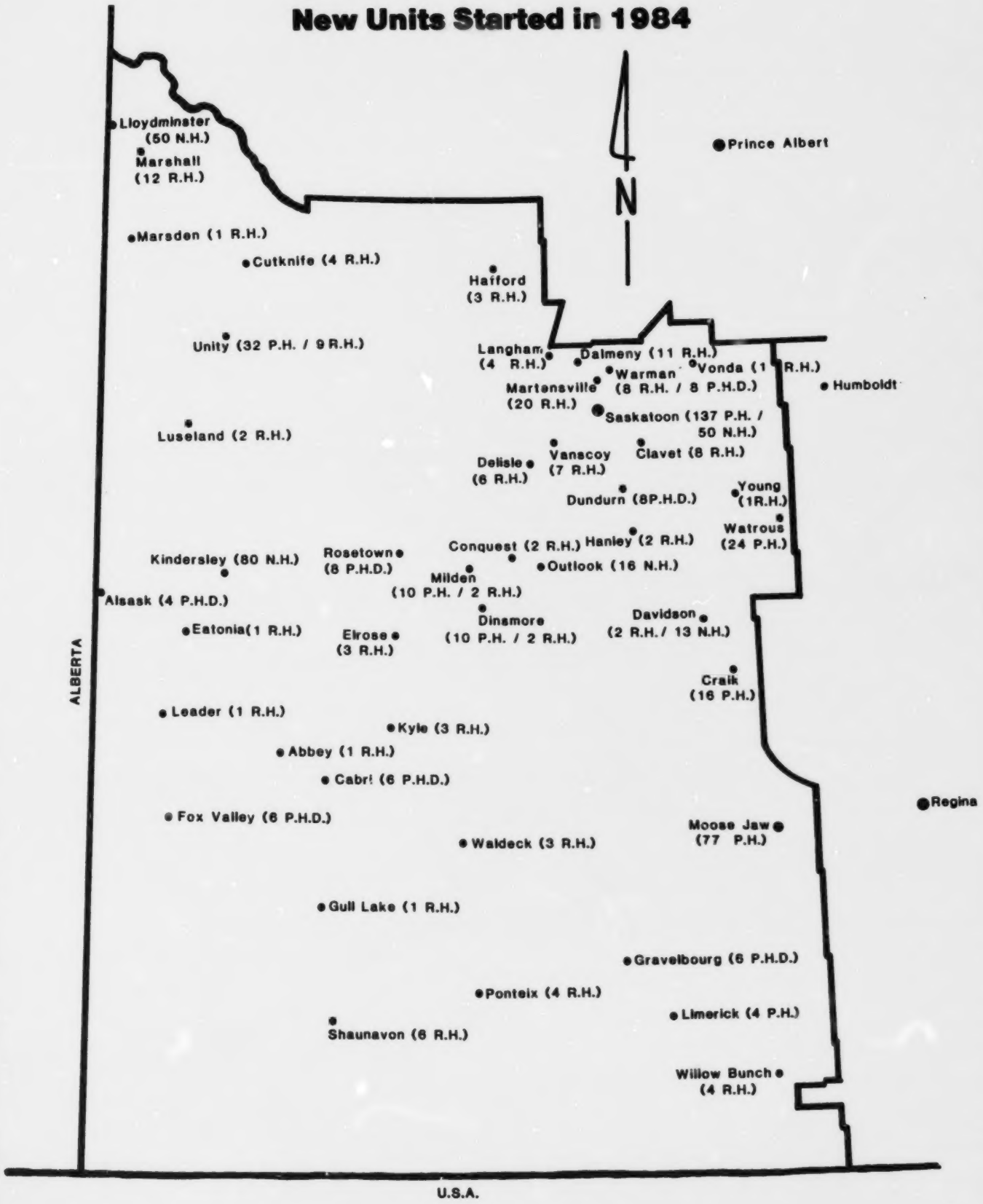
P.H. — Public Housing
R.H. — Rural Housing
P.H.D. — Non-Profit
S.C. — Non-Profit (Senior Citizen)

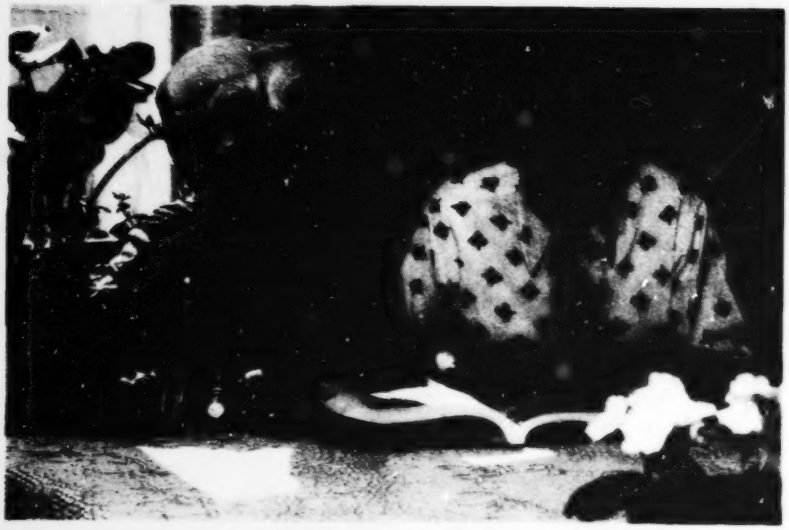
SHC HOUSING PORTFOLIO
DECEMBER 1984



Land Assembly

The program assists municipalities to develop residential lots. In 1984, the province assisted in the development of 51 lots in three centres with a total projected cost of $421,584. In addition, the Corporation sold 511 lots from its existing holdings.


New Units Started in 1984
N
Lloydminster (50 N.H.)
Marshall (12 R.H.)
Prince Albert
Marsden (1 R.H.)
Cutknife (4 R.H.)
Hafford (3 R.H.)
Unity (32 P.H. / 9 R.H.)
Langham (4 R.H.)
Dalmeny (11 R.H.)
Vonda (1 R.H.)
Warman (8 R.H. / 8 P.H.D.)
Martensville (20 R.H.)
Humboldt
Saskatoon (137 P.H. / 50 N.H.)
Luseland (2 R.H.)
Vanscoy (7 R.H.)
Clavet (8 R.H.)
Delisle (6 R.H.)
Young (1R.H.)
Dundurn (8P.H.D.)
Watrous (24 P.H.)
Hanley (2 R.H.)
Conquest (2 R.H.)
Kindersley (80 N.H.)
Rosetown (8 P.H.D.)
Outlook (16 N.H.)
Milden (10 P.H. / 2 R.H.)
Alsask (4 P.H.D.)
Dinsmore (10 P.H. / 2 R.H.)
Davidson (2 R.H. / 13 N.H.)
Eatonia (1 R.H.)
Elrose (3 R.H.)
Craik (16 P.H.)
ALBERTA
Leader (1 R.H.)
Kyle (3 R.H.)
Abbey (1 R.H.)
Cabri (6 P.H.D.)
Regina
Fox Valley (6 P.H.D.)
Moose Jaw (77 P.H.)
Waldeck (3 R.H.)
Gull Lake (1 R.H.)
Gravelbourg (6 P.H.D.)
Ponteix (4 R.H.)
Limerick (4 P.H.)
Shaunavon (6 R.H.)
Willow Bunch (4 R.H.)
U.S.A.

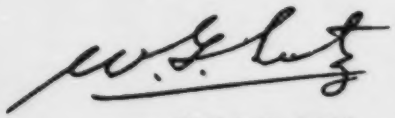


Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the consolidated balance sheet of the Saskatchewan Housing Corporation as at December 31, 1984, and the consolidated statements of accumulated operating surplus, operations and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these consolidated financial statements present fairly the financial position of the Corporation as at December 31, 1984, and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied, after giving retroactive effect to the change in accounting policy as explained in Note 16 to the financial statements, on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
April 4, 1985

W.G. Lutz, F.C.A.,
Provincial Auditor

Consolidated Balance Sheet

As at December 31

	1984	1983
Assets		
Cash and Short Term Investments, At cost (approximates market value)	$ 26,635,761	$ 35,620,083
Accounts Receivable	$ 21,357,524	$ 17,800,715
Grants Receivable-Province of Saskatchewan (Note 8)	—	$ 386,922
Mortgages and Loans (Note 3)	$ 65,008,424	$ 80,515,227
Land Inventory, Net of Accumulated Provision for Loss — $6,344,645; 1983 — $2,767,500 (Notes 1, 2, & 13(b))		
Developed and Under Development	$ 23,233,677	$ 37,025,010
Held for Future Development	20,076,987	17,562,118
	$43,310,664	$ 54,587,128
Investment in Housing Projects (Notes 1, 2, & 6)		
Under Construction	$ 7,562,156	$ 40,127,944
Completed	218,600,250	155,254,470
	$226,162,406	$195,382,414
	$382,474,779	$384,292,489
Liabilities and Province's Equity		
Liabilities:		
Accounts Payable and Accrued (Notes 14, 17 & 20)	$ 32,654,595	$38,223,227
Accumulated Capital Provision (Note 1)	3,138,006	1,882,197
Land Assembly Holding Account (Notes 1 & 7)	4,163,810	5,774,260
Long Term Debt (Note 5)	320,022,974	310,763,849
	$359,979,385	$356,643,533
Unexpended Grant — Province of Saskatchewan (Note 8)	$ 2,443,877	$ —
Province's Equity:		
Accumulated Operating Surplus	$ 1,486,084	$ 18,744,265
Contributed Surplus (Note 9)	18,565,453	8,904,691
	$ 20,051,517	$ 27,648,956
	$382,474,779	$384,292,489

Consolidated Statement of Accumulated Operating Surplus

For the Year Ended December 31

	1984	1983
Unappropriated:		
Balance, Beginning of Year	$ 18,744,265	$ 15,984,785
Net Income	1,486,084	3,845,786
	$ 20,230,329	$ 19,830,571
Transfer to Consolidated Fund, Province of Saskatchewan (Note 17)	(18,744,265)	—
Appropriated for Capital Projects (Note 15)	(156,000)	—
Allocation to Absorb Previous Years' Unfunded Administration Expenses	—	(1,086,306)
Balance, End of Year	$ 1,330,064	$ 18,744,265
Appropriated:		
Appropriated for Capital Projects and Balance, End of Year (Note 15)	$ 156,000	—
	$ 1,486,064	$ 18,744,265

See accompanying notes.

Consolidated Statement of Operations

For the Year Ended December 31	PUBLIC HOUSING		NON-PROFIT HOUSING	
	1984	1983	1984	1983
Revenues:				
Sales	$ —	$ —	$ —	$ —
Rents and Other Income	4,402,763	3,884,775	8,765,927	5,359,000
Interest Income (Note 10)	—	—	—	—
Federal Interest Reduction Subsidies (Note 1)	—	—	11,043,547	6,001,795
	$ 4,402,763	$ 3,884,775	$ 19,809,474	$ 11,360,795
Expenditures:				
Cost of Sales (Note 13(a))	$ —	$ —	$ —	$ —
Interest Expense (Notes 1, 11 & 16)	7,646,554	6,529,258	14,034,881	7,496,350
Maintenance (Note 1)	1,412,310	1,266,191	2,237,440	1,260,045
Taxes, Insurance and Other	2,905,034	2,402,911	2,675,593	1,535,701
Amortization	130,534	117,616	68,641	44,874
Administration — Expenses	698,783	680,019	728,357	448,656
— Recovered or Capitalized	—	—	—	—
Grants (Note 8)	—	—	—	—
	$ 12,793,265	$ 10,995,995	$ 19,744,912	$ 10,785,626
Income (Loss) Before the Following:	$ (8,390,502)	$ (7,111,220)	$ 64,562	$ 575,169
Grants from Province of Saskatchewan (Notes 1 & 8)	8,390,502	7,111,220	—	—
Reduction in Net Realizable Value — Land Inventory (Note 13(b))	—	—	—	—
Losses Charged to Municipalities	—	—	—	—
Surplus on Land Sales Transferred to Land Assembly Holding Account	—	—	—	—
Capital Cost Overruns (Note 12)	—	—	(840,561)	(2,465,847)
Other Recoveries (Losses)	—	—	(21,928)	(65,000)
Transfer from Accumulated Capital Provisions	—	—	—	680,464
Net Income (Loss)	$ —	$ —	$ (797,927)	$ (1,275,214)

See accompanying notes.

RURAL HOUSING		LAND		CORPORATE		TOTAL	
1984	1983	1984	1983	1984	1983	1984	1983
$ —	$ —	$ 10,719,270	$ 8,329,303	$ —	$ —	$ 10,719,270	$ 8,329,303
333,589	228,902	—	—	857,223	89,188	14,359,502	9,561,865
1,739,120	1,621,885	—	—	10,788,647	14,855,704	12,527,767	16,477,589
—	—	—	—	—	—	11,043,547	6,001,795
$ 2,072,709	$ 1,850,787	$ 10,719,270	$ 8,329,303	$ 11,645,870	$ 14,944,892	$ 48,650,086	$ 40,370,552
$ —	$ —	$ 12,413,080	$ 6,983,365	$ —	$ —	$ 12,413,080	$ 6,983,365
2,781,041	2,026,400	—	—	2,628,161	8,904,603	27,090,637	24,956,611
349,080	124,403	—	—	276,278	22,405	4,275,108	2,673,044
400,205	707,546	—	—	415,913	34,156	6,396,795	4,680,314
71,963	42,509	—	—	7,865	8,108	279,003	213,107
270,094	205,589	—	—	9,353,782	9,692,046	11,051,016	11,026,310
—	—	—	—	(3,203,259)	(2,466,184)	(3,203,259)	(2,466,184)
1,177,669	1,077,352	—	—	14,912,134	22,961,256	16,089,803	24,036,608
$ 5,050,052	$ 4,183,799	$ 12,413,080	$ 6,983,365	$ 24,390,874	$ 39,156,390	$ 74,392,183	$ 72,105,175
$ (2,977,343)	$ (2,333,012)	$ (1,693,810)	$ 1,345,938	$ (12,745,004)	$ (24,211,498)	$ (25,742,097)	$ (31,734,623)
2,977,343	2,333,012	—	—	20,861,356	30,174,199	32,229,201	39,618,431
—	—	(4,633,387)	(907,500)	—	—	(4,633,387)	(907,500)
—	—	490,210	—	—	—	490,210	—
—	—	(61,620)	(710,205)	—	—	(61,620)	(710,205)
—	(175,934)	—	—	—	—	(840,561)	(2,641,781)
161,034	(210,000)	—	—	(94,788)	(184,000)	44,318	(459,000)
—	—	—	—	—	—	—	680,464
$ 161,034	$ (385,934)	$ (5,898,807)	$ (271,767)	$ 8,821,564	$ 5,778,791	$ 1,486,664	$ 3,845,788

Consolidated Statement of Changes in Financial Position

For the Year Ended December 31	1984	1983
Cash Was Provided By:		
Net Income	$ 1,486,064	$ 3,845,786
Add (Deduct) Items Not Involving Cash:		
Cost of Land Sales - Net of Losses Charged to Municipalities	11,922,870	6,983,365
Provision for Capital Replacement	1,474,776	877,548
Amortization	279,003	213,107
Reduction of Land Inventory to Net Realizable Value	4,633,387	907,500
Surplus on Land Sales Transferred to Land Assembly Holding Account	61,620	710,205
Provisions included as part of Other Recoveries (Losses)	123,428	459,000
Transfer from Accumulated Capital Provisions	—	(680,464)
Provided from Operations	$19,981,148	$13,316,047
Reduction of Non-cash Working Capital	—	27,594,067
Proceeds from Reduction of Mortgages and Loans	15,405,303	4,767,315
Land Infill Subsidies	800,000	800,000
Grant for Cornwall Centre	—	1,250,000
Proceeds from Disposal of Staff Housing Units	255,836	—
Proceeds of Long Term Debt	9,391,000	10,240,000
Total Cash Provided	$45,833,287	$57,967,429
Cash Was Used for:		
Increase in Non-cash Working Capital	$10,650,478	$ —
Investment in Land Inventory	5,291,933	4,130,285
Capital Replacements	218,967	151,269
Investment in Housing Projects	21,420,161	46,510,879
Land Infill Subsidies Applied to Capital Projects	800,000	800,000
Allocations and Payouts from Land Assembly Holding Account	1,659,030	1,452,250
Repayment of Long Term Debt	131,875	8,382,487
Payments to Consolidated Fund — Province of Saskatchewan	14,644,265	11,173,521
Total Cash Used	$54,817,609	$72,600,691
Decrease in Cash and Short Term Investments	$ 8,984,322	$14,633,262

See accompanying notes.

Notes to Consolidated Financial Statements

December 31, 1984

Note 1
Significant Accounting Policies

Management has prepared the financial statements of the Saskatchewan Housing Corporation and has primary responsibility for the integrity and objectivity of the information. Because a precise determination of certain assets and liabilities depends on future events, estimates and approximations have been included based on currently available information and management's judgement of present conditions and circumstances. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Basis of Consolidation

The consolidated financial statements include the accounts of Saskatchewan Housing Corporation, its wholly-owned subsidiary, Prairie Housing Development and the Corporation's proportionate share of the net assets and revenues and expenditures of the joint venture projects in which it participates, as described in Note 2. In January, 1985, Prairie Housing Development was dissolved and all assets and liabilities transferred to the parent company.

Segmented Information

The Consolidated Statement of Operations reflects revenues and expenditures of the Corporation according to major program areas.

Non-Profit Housing encompasses the activities of Prairie Housing Development.

The Corporate segment includes non-allocated revenues and expenditures consisting primarily of interest (Notes 10 and 11), Staff Housing rental operations, corporate administration costs, and grants and subsidies paid not included in other segments (Note 8). Certain allocations of administration costs have been made to the Housing segments where permitted under joint venture agreements.

Interest is allocated from interest expense to Public and Rural Housing projects based on rates established at project commitment date. These rates approximate market rates at the time, which are generally higher than the rates the Corporation pays on funds borrowed. For Non-Profit Housing projects, interest is allocated based on the Corporation's weighted average cost of funds borrowed during the construction period.

Investment in Housing Projects

Completed projects are carried at the lower of cost or costs agreed upon with the joint venture partners, less accumulated amortization. The Corporation capitalizes the following in arriving at the cost of a project:

- Land acquisition costs
- Direct development and construction costs
- Administration costs allocated
- Land carrying costs, interest and results of rental operations prior to close out date.

Certain assets transferred pursuant to Section 4(6) of the Saskatchewan Housing Corporation Act have initially been recorded at the lower of the originally approved project commitment amortized to October 31, 1982, less cost to complete, or the net book value at that date. Amortization on these assets is recorded on the sinking fund basis over periods up to twenty-five years and is charged to operations to the extent of the Corporation's cash investment in the assets, the balance being charged against Contributed Surplus.

Staff Housing assets have been transferred from the Province's Department of Supply and Services at no cost. The assets have initially been recorded at the lower of estimated construction costs amortized to March 31, 1984 or the net book value at that date. Amortization is recorded on the straight line basis over periods up to forty years and is charged against Contributed Surplus. Pursuant to the direction of Treasury Board, the agreement with the Department of Supply and Services provides that net sales proceeds from disposition of Staff Housing units are returned to the Consolidated Fund of the Province of Saskatchewan.

Public and Rural Housing projects are closed out upon substantial completion of construction and determination of final capital costs. Non-Profit Rental projects are closed out in the month in which construction is completed and renting can begin. Amortization is recorded on completed projects on the sinking fund basis over periods ranging from twenty-five to fifty years. By this method, amortization is charged to expense in an amount which increases annually and is considered sufficient to amortize the projects fully over their anticipated useful lives.

Certain Rural Housing units are sold with full financing. When sold, these units are carried as Mortgages and Loans. The intent when selling is to recover actual costs; accordingly, sales are not recognized in the Consolidated Statement of Operations.

Land Inventory

Land is carried at the lower of cost and net realizable value.

The Corporation capitalizes the following in arriving at the cost of land:

- Land acquisition costs
- Direct development costs
- Administration costs allocated
- Land carrying costs
- Interest.

When capitalizing interest, interest is applied to the net investment (after deducting any provision for loss).

Sales of land intended for single family residential development are recorded at the earlier receipt of total lot sale proceeds or completion of the first floor joist stage of construction. Other land sales are recorded at the earlier of receipt of total sale proceeds or the date by which all material conditions required of the vendor as specified in the sales agreement have been satisfied and effective control of the property has passed to the purchaser.

The cost of lot sales is allocated in proporation to total anticipated revenue by project. Adjustments to prior years' cost of lot sales arising from revised anticipated revenues are included with the current year's cost of sales.

Land profits are distributed according to the various agreements with the Municipalities. The majority of existing agreements provide for the profits to be transferred to a holding account for social or recreational development in Municipalities or for other purposes as deemed appropriate by the Corporation. Individual project accounts are subject to release pending determination of final costs, receipt of the last lot sale proceeds, and approval by the Corporation.

Transfers of land for use in housing projects are made at normal market prices.

Fixed Assets

Purchases of office and specialized equipment are charged to operations in the year of purchase and gross proceeds on any disposal are recorded as revenue.

Grants from the Province of Saskatchewan

The Corporation receives the following operating and program grants from the Consolidated Fund of the Province of Saskatchewan pursuant to the provisions of Section 36 of the Saskatchewan Housing Corporation Act:

Public Housing

These are related to investment in public housing projects constructed for rent to low and moderate income tenants. The rents charged are dependent on tenants' income and do not necessarily cover the operating costs and debt retirement requirment of the project. Amounts reflected in the Consolidated Statement of Operations represent the Corporation's recovery of its share of project deficits and principal and interest amortization.

Rural Housing

These are similar to Public Housing Grants where the units are rented. Where the units are mortgaged, the grant reduces the required individual mortgage payments to a percentage of the mortgagor's income.

Other Grants and Operations

These include recoveries of third party grants and an operating grant intended to cover the Corporation's net administration costs and net rental operations from Staff Housing. Third party grants are primarily accounted for on a cash basis.

For the purpose of revenue recognition, grants from the Province of Saskatchewan are shown equal to related program expenditures or deficits as applicable.

Accumulated Capital Provisions

In accordance with Section 56.1 of The National Housing Act, the Corporation provides each year for replacement of appliances and for building and site renovations at rates agreed to by the Canada Mortgage and Housing Corporation. These amounts are charged to Maintenance and credited to Accumulated Capital Provisions. Amounts are charged against Accumulated Capital Provisions as actual expenditures are incurred.

Federal Interest Reduction Subsidies

These represent amounts provided to Prairie Housing Development by the Canada Mortgage and Housing Corporation subject to the terms of an agreement entered into by the Corporation with C.M.H.C. under Section 56.1 of the National Housing Act. C.M.H.C. has provided written confirmation that subsequent to the dissolution of Prairie Housing Development in January, 1985, the Corporation is eligible to continue receiving these subsidies.

Interest Capitalized

When capitalizing interest for housing and land projects, the rate is established at project commitment date. These rates approximate market rates at the time, which are generally higher than the rates the Corporation pays on funds borrowed.

Note 2
Joint Ventures

Public Housing

Public Housing projects are constructed and operated under terms of joint venture agreements entered into with Canada Mortgage and Housing Corporation and various Municipalities. The Corporation's participation in these joint ventures is variable but approximates twenty percent. The Corporation's participation in these joint ventures includes the following items in the Consolidated Balance Sheet:

Assets	1984	1983
Accounts Receivable (Payable) — Housing Authorities	$ (84,806)	$ 338,187
Investment in Housing Projects		
— Completed	71,789,726	61,272,968
— Under Construction	8,266,278	9,367,206

Rural Housing

Rural Housing projects are constructed under terms of joint venture agreements entered into with Canada Mortgage and Housing Corporation. The Corporation's participation in these joint ventures is twenty-five percent and includes the following items in the Consolidated Balance Sheet:

Assets	1984	1983
Investment in Housing Projects		
— Completed	$10,707,044	$12,960,885
— Under Construction	1,720,693	1,057,991
Mortgages and Loans	15,705,886	13,436,262

Land Assembly

Land Assembly projects are developed under terms of joint venture agreements entered into with various Municipalities. Development costs are shared ninety-five percent by the Corporation and five percent by the Municipality. The Municipalities' equity of $1,423,022 (1983 — $1,706,061) is included in Accounts Payable and Accrued.

Note 3
Residential Rehabilitation Loan Forgiveness

The Corporation, on behalf of the Province of Saskatchewan, administers a program of providing loans to people for repairing their homes. If prescribed conditions are met, all or a portion of the loan is forgiven. The forgivable portion of the loan is reimbursed to the Corporation by the Province. The portion of loans receivable included in the financial statements at the year-end under this program totalled $6,123,091 (1983 — $7,639,339) of which $2,369,964 (1983 — $3,308,795) is eligible to be forgiven.

Note 4
Commitments

The Corporation had the following commitments as at December 31, 1984.

a) Construction expenditures in the amount of $21,300,000.

b) Land development expenditures in the amount of $4,500,000.

c) Mortgages and loans, approved but undisbursed, approximating $400,000.

d) Senior Citizens Home Repair Assistance grants approximating $3,900,000.

e) Lease payments over the next seven years in the following annual minimum amounts:

1985	—	$602,000
1986	—	567,000
1987	—	512,000
1988 to 1990	—	500,000
1991	—	83,000.

Note 5
Long Term Debt

Advances — Consolidated Fund, Province of Saskatchewan

Interest Rate	Year Repayable	Amount	Interest Rate	Year Repayable	Amount
8.21%	1995	$ 5,197,000	9.98%	1999	$ 6,648,000
8.65%	1995	6,541,000	10.22%	1999	6,258,000
8.96%	1995	7,998,000	10.68%	1999	4,000,000
9.04%	1996	7,899,000	11.50%	1999	4,667,000
9.00%	1996	5,000,000	11.24%	2000	1,233,000
8.97%	1996	6,032,000	12.74%	2000	9,329,000
9.25%	1996	5,141,000	11.61%	2000	6,661,000
9.22%	1996	3,202,000	12.55%	2000	6,752,000
9.02%	1997	2,393,000	12.50%	2000	926,000
8.83%	1997	4,082,000	13.09%	2000	6,986,000
9.22%	1997	4,000,000	13.13%	2001	7,204,000
9.06%	1997	6,399,000	13.66%	2001	5,871,000
9.18%	1997	4,694,000	15.69%	2001	14,421,000
9.00%	1997	5,972,000	17.00%	2001	7,611,000
8.99%	1997	2,765,000	17.51%	2001	6,968,000
8.77%	1997	4,671,000	16.10%	2002	6,776,000
8.88%	1997	4,894,000	15.12%	2002	8,732,000
8.98%	1997	3,537,000	15.25%	2002	17,225,000
8.98%	1998	1,542,000	14.96%	2002	17,511,000
9.37%	1998	6,526,000	15.54%	2002	8,972,000
9.46%	1998	7,168,000	14.16%	2002	3,203,000
9.49%	1998	5,794,000	13.43%	2002	9,444,000
10.26%	1999	4,000,000	12.01%	2002	4,823,000
10.02%	1999	2,427,000	12.14%	2003	4,556,000
10.02%	1999	7,578,000	12.16%	2003	5,684,000
			12.96%	2004	9,391,000
					$317,304,000

Canada Mortgage and Housing Corporation — Loans 6.875% — 10.75% due 1985 — 2011 ($2,665,829 secured by land assembly projects)	2,719,760
Less: Long term debt due within one year	(786)
	$320,022,974

Debt repayment on $2,665,829 of the Canada Mortgage and Housing Corporation liability which represents land assembly loans will be related to future lot sales.

Note 6
Investment in Housing Projects — Completed

The Corporation's investment in completed housing projects as at December 31 was as follows:

	1984			1983
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Public Housing	$ 72,681,515	$ 891,789	$ 71,789,726	$ 61,272,968
Non-Profit Rental Housing	123,679,716	188,190	123,491,526	80,557,071
Rural Housing and Other	13,674,073	378,906	13,295,167	13,424,431
Staff Housing	10,346,769	322,938	10,023,831	—
	$220,382,073	**$1,781,823**	**$218,600,250**	**$155,254,470**

Note 7
Land Assembly Holding Account

	1984	1983
Balance, January 1	$5,774,260	$6,407,272
Add: Surplus on land sales	61,620	710,205
internal transfers and other	(12,140)	109,033
	$5,823,740	$7,226,510
Deduct: Allocations and payouts	1,659,930	1,452,250
Balance, December 31	**$4,163,810**	**$5,774,260**

Note 8
Unexpended Grants — Province of Saskatchewan

Description	Balance January 1	Received from Consolidated Fund	Reflected as Revenues in Consolidated Statement of Operations	Applied to Capital Projects	Allocation from Accumulated Operating Surplus	Balance December 31
Public Housing	$(1,769,955)	$ 9,900,000	$ 8,390,502	$ —	$ —	$ (260,457)
Rural Housing	$(37,845)	$ 2,650,000	$ 2,977,343	$ —	$ —	$ (365,188)
Infill	$ —	$ 800,000	$ —	$ 800,000	$ —	$ —
Administration and Other						
Administration	$ 3,009,266	$ 5,800,000	$ 5,949,223	$ —	$ —	$ 2,860,043
Other						
Senior Citizens Home Repair Assistance	$ 450,455	$ 6,150,000	$ 7,022,951	$ —	$ —	$(422,496)
Non-Profit Sponsors of Moderately Priced Senior Citizens Accommodation	321,648	450,000	564,920	—	—	206,728
Residential Rehabilitation Loan Forgiveness	129,304	1,270,000	1,393,286	—	—	6,018
Co-operative Housing	67,163	520,000	610,182	—	—	(23,019)
Non-Profit Sponsors of Moderately Priced Accommodation (Urban-Native)	(523,595)	2,800,000	2,922,825	—	—	(646,420)
Farm Housing	63,961	120,000	215,934	—	—	(31,973)
Home Modification — Handicapped	83,122	200,000	217,771	—	—	65,351
Build-A-Home	(2,697,336)	5,200,000	1,964,264	—	—	538,400
Other	516,890	—	—	—	—	516,890
Total Other	$(1,588,388)	$16,710,000	$14,912,133	$ —	$ —	$ 209,479
Total Administration and Other	$ 1,420,878	$22,510,000	$20,861,356	$ —	$ —	$3,069,522
Grand Total — 1984	$ (386,922)	$35,860,000	$32,229,201	$ 800,000	$ —	$2,443,877
Grand Total — 1983	$(9,926,653)	$50,123,856	$39,618,431	$2,050,000	$1,086,306	$ (386,922)

Note 9
Contributed Surplus

	1984	1983
Balance, January 1	$8,904,691	$20,181,901
Add: Assumption of Staff Housing assets transferred from the Province's Department of Supply and Services	10,454,125	—
	$19,358,816	$20,181,901
Deduct: Amounts paid to the Consolidated Fund as consideration for certain of the assets acquired by the Corporation pursuant to Sections 4(5) and 4(6) of the Saskatchewan Housing Corporation Act	—	11,173,521
Amortization (Note 1)	431,868	77,144
Write-offs and adjustments (net)	361,495	26,545
Balance, December 31	**$18,565,453**	**$ 8,904,691**

Note 10
Interest Income

	1984	1983
Rural Housing:		
Mortgages	$ 1,739,120	$ 1,621,885
Corporate:		
Co-operative Housing mortgages	$ 5,041,990	$ 6,983,284
Short term investments	3,574,581	5,458,485
Farm Housing mortgages	1,272,421	1,442,272
Other mortgages and loans	899,655	971,663
	$10,788,647	$14,855,704
	$12,527,767	**$16,477,589**

Note 11
Interest Expense

	1984	1983
Interest incurred	$37,395,264	$38,243,188
Less: Interest capitalized	(8,859,797)	(11,265,190)
Interest recovered	(1,444,830)	(2,021,387)
	$27,090,637	$24,956,611

Note 12
Capital Cost Overruns

Housing projects are developed subject to terms of agreements entered into by the Corporation with C.M.H.C. under Section 40 and Section 56.1 of The National Housing Act. These amounts represent costs in excess of those agreed to by C.M.H.C.

Note 13
Non-recurring Charges to Operations — Land

Charges to income of the current year include the following:

(a) An adjustment to Cost of Land Sales in the amount of $1,184,858, resulting from downward revisions to anticipated total project revenues.

(b) A reduction in the carrying value of the land inventory at December 31, 1984 in the amount of $4,633,387 (1983 — $907,500) to reflect diminished economic value or saleability of certain properties.

Note 14
Contingencies

The Corporation has made a guarantee related to lease revenue on a property sold during 1984. This guarantee expires ten years after the project being developed on the site is ready for occupancy. A provision of $135,000 has been recorded as a charge against 1984 income in respect of this contingency. Because the ultimate charges to be absorbed by the Corporation have not been determined, such adjustment as is necessary will be accounted for as a charge or credit to income in the period in which the Corporation's liability is established.

The Corporation is also involved in various litigation and claims associated with normal operations. Management believes that any resulting settlements would not have a significant adverse affect on the consolidated financial statements of the Corporation.

Note 15
Appropriated Accumulated Operating Surplus

In compliance with certain land development agreements, land profits of $156,000 have been appropriated for future capital projects.

Note 16
Change in Accounting Policy — Interest Allocation

During the year the Corporation changed its method of allocation of interest expense to the Non-Profit Housing segment. The revised method allocates interest based on the Corporation's weighted average cost of funds borrowed during the construction period. The former method of allocation was based on market rates established at project commitment date. This change in accounting policy, which has been retroactively applied, has resulted in a decrease of $1,876,155 (1983 — $1,161,864) in interest expense allocated to the Non-Profit Housing segment and a corresponding increase in interest expense for the Corporate segment. The change has no effect on the Corporation's reported total net income.

Note 17
Transfer to Consolidated Fund, Province of Saskatchewan

During 1984 the Corporation's Board of Directors authorized the transfer of up to $18,744,265 of Accumulated Operating Surplus to the Consolidated Fund, Province of Saskatchewan. As at December 31, 1984, $4,100,000 remains to be transferred and has been included in Accounts Payable and Accrued.

Note 18
Build-A-Home Saskatchewan Grant Forgiveness

During the year, the Corporation continued to provide assistance in the form of a $3,000 grant to Saskatchewan residents constructing new homes. This grant is paid at the time of occupancy and is forgiven at the rate of $600 per year, provided ownership is retained. In 1984, the Corporation made net grant payments of $1,964,264 (1983 — $15,897,336). At December 31, approximately $4,610,000 had been forgiven (1983 — $1,080,000).

Note 19
Comparative Information

Certain 1983 financial information has been reclassified to conform with the 1984 presentation.

Note 20
Related Party Transactions

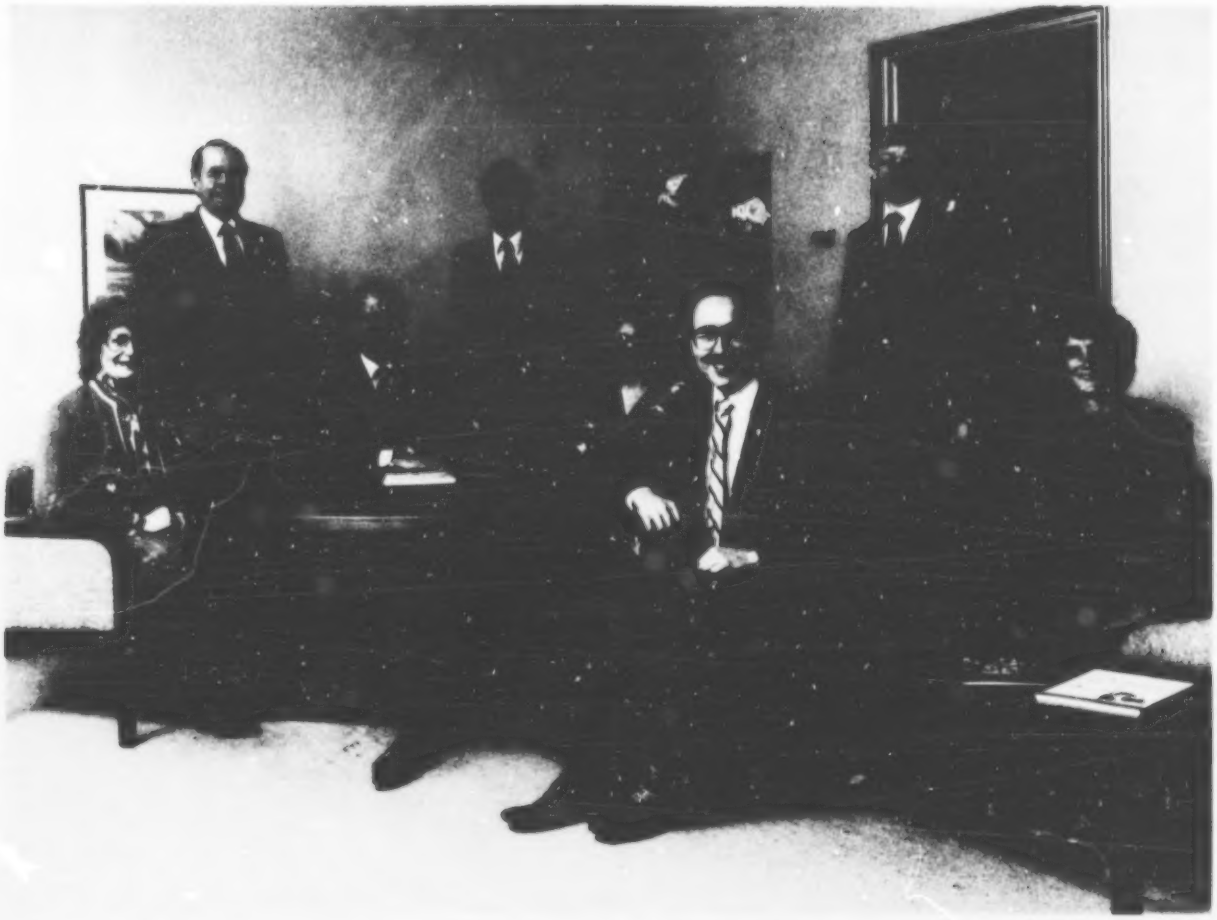
Related parties to the Corporation are Saskatchewan's Crown controlled departments, agencies and corporations. Transactions with these parties are conducted at normal market prices, except that expenditures for the acquisition of certain furniture and furnishings have been paid by the Department of Supply and Services.

At December 31, Accounts Payable and Accrued includes an amount of $536,345 (1983 — $5,657,945) repayable to the Consolidated Fund, Province of Saskatchewan.

Note 21
Remuneration For Directors and Senior Officers

During the year ended December 31, 1984 six persons (1983 — six) served on the Corporation's Board of Directors and seven persons (1983 — seven) served as senior officers.

The aggregate remuneration to Directors amounted to $9,725 (1983 — $5,175) and the aggregate remuneration to senior officers was $410,502 (1983 — $420,916).



(Left to right) Nancy Kent, Alternate Chairman, Prince Albert; Jack H. Hansen, Regina; Russ Afseth, Saskatoon; Stu Harris, Saskatoon; Irene Leason, Hudson Bay; Honourable Sid Dutchak, Chairman of the Board, Prince Albert; David R. Eberle, Melfort; Dawn M. Dobni, Secretary to the Board, Regina; missing: Honourable Neal Hardy, Vice-Chairman, Hudson Bay.

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